2023 Sales and Marketing Guide for KPIs & Goal Setting

From determining how many leads you need to fill your funnel and meet your KPIs, to specific steps to ensure you get there, this guide will detail everything you need to know about aligning marketing and sales and hitting your revenue numbers this year.

Introduction

Every year, it's critical for marketing and sales leaders to assign realistic yet meaningful goals for business growth and develop strategies that leverage each other's momentum so your activities translate into better results within a minimum amount of time. As we go through this process internally, the default mantra for 2023 is to ask the question, "how can we work smarter, not harder?"

With a renewed emphasis on efficiency in 2023, we're not only thinking about the number of MQL, SQL, and opportunities required to meet our goals but re-evaluating our total addressable market, our ideal customer profiles, and connecting those data-driven insights into tactics that reduce time in the pipeline, and costs of acquisition, and convert more leads.

And, we want to share our findings with you! This guide will cover everything about your 2023 sales and marketing goal-setting:

- Conducting a reverse funnel analysis
- Reimagining market research for better prioritization of leads
- Channel strategies that save time and resources for your marketing and sales teams

Start with the Reverse Funnel

The first step in frameworking goals for your sales and marketing teams is to identify what your monthly, quarterly, or annual financial goals are as a company.

Let's say your fiscal target for 2023 is to achieve $150,000 in new monthly recurring revenue (MRR) by the year's end. You'll need to reverse-engineer the funnel to understand what's required from both the sales and marketing teams to get to this golden number.

If your product's price point is $1,500 a month, then you'll divide your company goal by the product price point to get the number of sales you need for the entire year to achieve your goal. For example:

$150K ÷ **$1,500** = **100 New Customers in 2023**

Next, determine what your sales team's win rate is once they've received leads from your marketing team. How often does your sales team bring someone across the finish line? Is it 50% of the time? 25% of the time? 10% of the time?

For this example, let's say your sales team closes 25% of the sales-qualified leads (SQLs) in their pipeline. Divide the goal of 100 new customers by your average win rate:

100 Leads / .25

400 SQLs
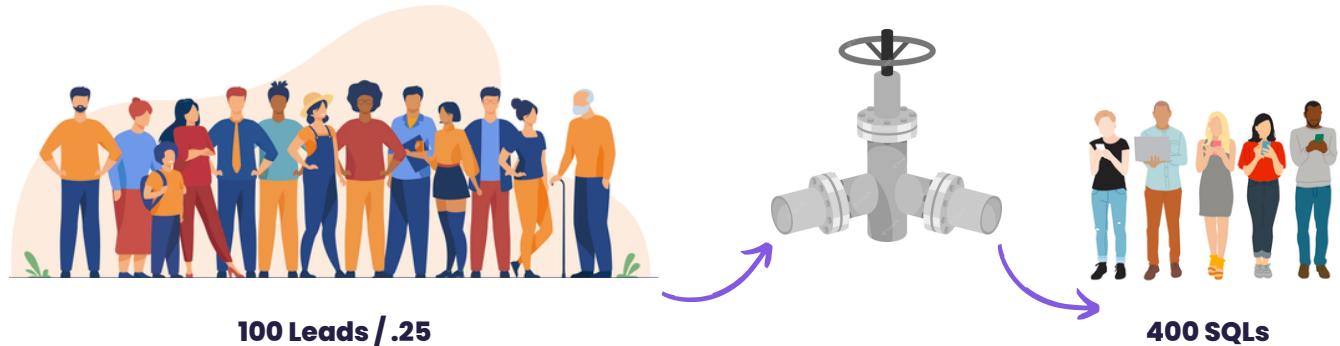
Next, review past numbers to determine your average conversion rate from a marketing-qualified lead – generated by marketing collateral like webpages, demand programs, and emails – to a sales-qualified lead.

Let's say it's a 30% conversion rate.

If you divide the goal of 400 new SQLs by the conversion rate of MQL to SQL, you'll see that your marketing team needs to generate roughly 1334 MQLs this year to fill the funnel in a sufficient way for your sales team.

400 New SQLs ÷ **.30** = **1333.3 MQLs**
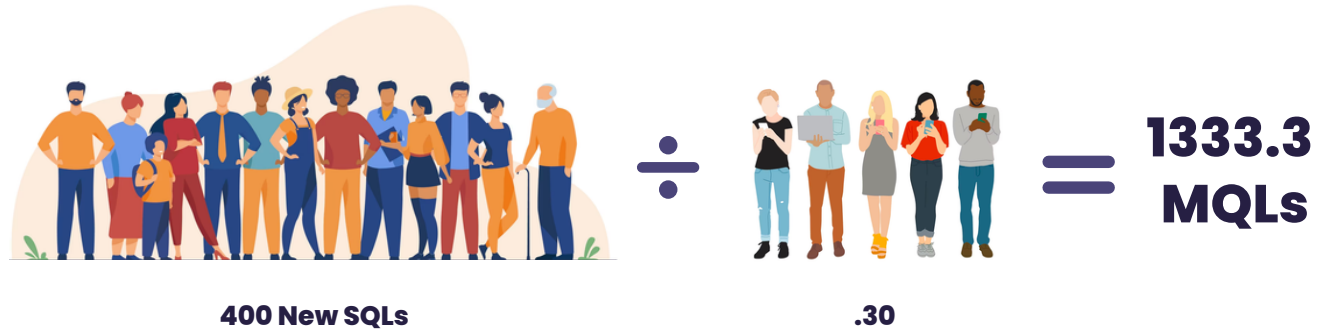
Start with the Reverse Funnel

Following this equation your sales funnel will look like:

Sales Funnel

1334 MQLS

400 SQLS

100 CUSTOMERS
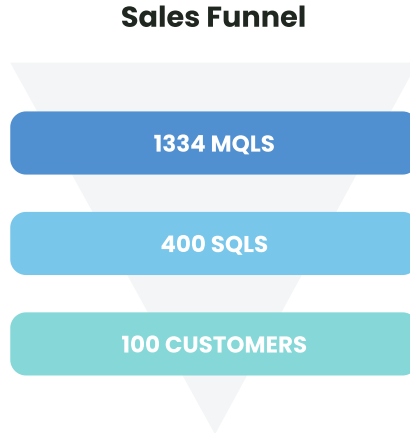
While the reverse funnel might not be a new concept to you, we want to propose a new way to approach how to fill the funnel by working smarter, not harder. To achieve 1334 MQLs, your marketing team shouldn't be "spraying and praying".

It's all too common for small and medium size businesses with limited resources to try as many campaigns as possible, in short order, and hope that a handful of them are successful. Not only does this approach frazzle your marketing efforts, but the quality of leads coming into the sales organization may not be the most viable, and it can have an adverse effect on your overall SQL to won customer conversion rate.

Knowing where you need to be in terms of numbers for MQLs, SQLs, and won customers is the first step in a comprehensive goal setting process, but the steps that follows will help ensure there are touchpoints throughout the month to get you to where you need to be in the most cost and time-efficient way.

Go Beyond MQLs and SQLs as the Foundation of Benchmarking

As you're setting goals for 2023, remember, this is the time to be digging back into what you did last year. What worked? What didn't work? How can you realign your business objectives with your marketing and sales plan?

Perhaps you've already spent a healthy amount of time working through your messaging, your ideal customer profile (ICP), and researching your total addressable market. But, it's still best practice to re-evaluate at least once a year, so your marketing and sales teams are aligned in inbound and outbound prospecting, and those teams are also aligned with the broader company goals.

Top Conversion Conversations in 2023

What is your total addressable market?

Understanding your total addressable market (TAM) enables you to apply estimates of effort to place on certain aspects of your product roadmap, and evaluate which customer segments offer the biggest business opportunity for your organization. TAM also provides visibility into how much room your organization can grow, and provides a gut check for the revenue goals you've created for the year.

For example, if you see that the total addressable market you're selling into has an estimated worth of $15,000,000 then you only need to capture 1% of your total addressable market by the end of the year to reach your revenue goal of $150,000 MRR.

So, how do you calculate TAM?

There are a handful of ways you can go about identifying your total addressable market (TAM). The first approach is top-down, where you can leverage free or purchased industry data from leading analysts like Gartner or Forrester to see which "quadrant" your business falls within, and how large of an opportunity your subsection may be. Please note that like many types of product marketing research, this is not a comprehensive approach. Analyst research may not reflect exactly how niche your service or product is, and can quickly become outdated if you're in an industry that evolves rapidly.

You can also take a bottom-up approach to your TAM research. This approach is slightly more customized to your individual situation and is a quantifiable approach based on your sales and pricing data.

Hubspot recommends the following steps:

- First, multiply your average sales price by your number of current customers to find your annual contract value.
- Multiply your annual contract value by the total number of contacts in your database.
- This will yield your total addressable market.

The total addressable market will help validate the revenue goals you've laid out for your marketing and sales team. It will also help you build the framework as you detail your ideal customer profiles (ICP), and subsequent segments and cohorts for ongoing sales and marketing tactics.

Has your ICP changed?

In the spirit of understanding what worked (and didn't work) for your sales and marketing teams last year, it's critical to reflect on the audiences you targeted. Did one industry move through the pipeline faster than others? Was there a particular job title that was more receptive to your content than others?

Evaluating your ICP isn't just helpful for marketers and inbound, or for sales team and outbound. It's also a way to ensure alignment with the product team to identify and prioritize features that can propel overall company growth. Think of it as a gut check: is everyone moving toward the same goals?

One approach to documenting your ICP is to break down your TAM research into smaller cohorts based on industry and headcount. Assess where your biggest and most frequent wins were. Which of your current customers had or have:

- The shortest sales cycle?
- Lowest customer acquisition cost?
- Highest customer satisfaction?
- Largest number of renewals?
- Most upsells and expansions?
- Most referrals?
- Lowest churn?
- Limtetime value?

Go Beyond MQLs and SQLs as the Foundation of Benchmarking

Are there patterns between customers who fit these criteria?

- Geo-location – where are they based, and are they local, regional or national?
- Company size – how many employees do they have?
- Business area – is there a pattern of top-closed industries?
- Budget – how much do they have allocated to products like yours?
- Decision-makers – which job title typically makes the buying decision?
- Objectives – what do they want to achieve as a business?
- Use case– what problem is your product solving for them?

Do you have the visibility to get even more granular? Are there individual journeys you can follow to uncover:

- How responsive are they to inbound or outbound communications?
- What is their preferred channel of communication?
- How frequently do they reach out to your customer success team?
- How often are they on your website?

Understanding your ICP is one way to help personalize marketing efforts and prioritize leads. Focusing energy on prospects and leads that fit your framework of a viable lead can mean faster time to sale, and lower customer acquisition costs.

Do you enhance your data for action?

By going through the process of identifying your TAM and ICPs, you can layer in additional data-driven approaches to ensure you focus your finite go-to-market resources on the highly-converting opportunities first.

If you don't have the resources that provide visibility into how prospects are engaging with your brand, 2023 might be the year to consider outsourcing to a managed service or agency with tools and expertise to assist you.

For example, agencies that specialize in inbound marketing can show you the fastest path to value while you uncover, detect and monitor precise customer journeys that indicate viable leads for SMBs.

For example:

- Visitor paths
- Visitor history logs
- Company information
- Specific contact information (email, phone, address) for the most likely person to talk to at the company

In most cases, it can even tell you what products your future clients are interested in.

If attracting the right audience and driving leads down the pipeline faster and more cost-effectively is your goal in 2023, then data intelligence should be on your radar.

Moving Prospects through the Funnel Faster

The process of lead sourcing and sales has always been about volume. This historic numbers game also has far too many manual processes to count, which can slow sales processes. Ultimately, it goes against our mantra of working smarter not harder.

That's why, in 2023, we're considering a more modern approach to digital marketing and sales, which is all about visibility, personalization, activation and most importantly, automation.

Visibility

Understanding your customer journeys in a hyper-detailed way enables sales and marketing teams to be more strategic with their communications, and have more transparency into which tactics are working best. But, to generate the level of visibility that incites action, you need the proper infrastructure.

Moving Prospects through the Funnel Faster

Ask yourself, does your CRM or marketing agency provide at-a-glance information on:

- **Goal tracking:** How are you progressing against your target MQL, SQL, opportunities, time in pipeline, customer acquisition costs?
- **Campaign tracking:** Do you have a detailed view into which campaigns are performing the best, and precise campaign tracking that can be associated with a specific company or contact record?
- **Heat mapping:** How much visibility do you have into your website traffic? Do you know what forms or modules on your site are converting the most? Do you know where your site's friction points are, or where visitors may be dropping off most frequently?
- **Historical visitor tracking:** If a visitor comes back to your site multiple times, how easy is it for you to stitch together those insights to formulate a comprehensive user journey?
- **Ad retargeting:** Are you able to easily retarget prospects with ads once they leave your site?
- where you show up in the search results, or what keywords you should be zeroing in on to generate more qualified traffic to your site?
- **Google Keyword Rank Tracking:** Do you know where you show up in the search results, or what keywords you should be zeroing in on to generate more qualified traffic to your site?

Moving Prospects through the Funnel Faster

If you don't have access to each of these insights, you're missing out on at least some of your total addressable market, which can negatively impact your bottom line. But, if you have a data intelligence system in place to capture each click, it becomes easier to understand your prospects and customers: their interests, hobbies, purchase history, buying behavior, and more.

By capturing this information you can start to build complete customer profiles at a one to one, one to few and one to many view, pulling out prospects that map back to your ICP most directly.

Personalization 😎

Once you have visibility into your users, you have the ability to start segmenting by ICP and interest, which unlocks the world of hyper-personalization and exceptional customer experiences:

1- List Building and segmentation:
Segment your engaged audience by industry, job title, use case, lead score, highest activity, buyer journey and more. Segmenting prospects into smaller lists makes it easier for your sales and marketing teams to run lookalike or retargeting campaigns, or send messaging with personalized offers and content based on hyper-specific categories. And, with MTR Lead Sonar you can download up to 30k records of contact a month to populate your lists.

2- Sales enablement content and assets across the entire buyer's journey:
Do you have assets to support and influence the sales cycle across all touch points of the customer journey, and created for the channels most likely to convert? As you label and segment your audience, you may identify gaps in your existing resource library. Let's say your hottest leads are all in the healthcare space and are beginning to evaluate your tool. But, you don't have many assets to support this particular cohort of your audience. Turn your insights into action by creating experiences mapped directly back to this stage, and deploy content like SMS, email, highly targeted paid ads, retargeting campaigns, personalized webinars, and more with confidence.

3- ABM and Account Mapping: Account mapping and ABM can be an incredibly useful and hyper-personalized mode of communication with prospects, but it's not for everyone. Before investing in this strategy, it's important to ask is this really the right one for you?

Personalization

Typically ABM is reserved for enterprise accounts which will yield a high spend and would make sense to spend more personalized time and effort on. So, before moving forward, ask yourself:

- Are you selling to enterprise accounts or high-value deals?
- Do you have the signals there that ABM would be something to go after?
- Do you have the foundation set up for ABM?
- Do you have lead routing set up?
- Do you have a calendar tool for reps for easy meetings?
- Is there an ABM marketer dedicated to supporting each account?
- Does your CRM make it possible to measure the performance of your ABM process?
- Should you use ABM to land and expand instead of new business?

Should you decide that ABM is right for your organization, it's critical to have leadership teams provide guidance while selecting target accounts, like who owns the account selection process, and what marketing alignment with sales looks like strategically and tactically.

Activation and Automation

One of the biggest challenges SMBs and enterprise business face at the moment is outbound marketing success rates. From sourcing the right leads to ensuring messaging is accurate, outbound requires far more resources, time, and attention to measuring conversion metrics and success rates compared to inbound marketing.

Inbound marketing is also far easier to create an automated infrastructure around.

To work smarter, not harder this year, we're putting our eggs in the inbound marketing basket, and sprinkling in as much automation as possible.

Automation makes it possible to extend your reach further than manual efforts. Sales is a number game, meaning the higher your hit rate the higher the probability of conversion. .,

For example, automated ad delivery via MTR Lead Sonar. With Lead Sonar, we can see up to 40% of all traffic engaged in our demand programs. When a prospect fits within our ICP, we can automate ad delivery to the engaged prospect in as little as 3 hours. Ads can appear on whatever platform our visitors use most often like Facebook, Instagram, Google, Youtube, and LinkedIn. We've seen these instantaneous and automated ads multiply our ROAS by 3-5x.

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Looking for a Partner for Your Funnel Strategy, Development and Activation?

MTR is a full service digital marketing agency and top-rated HubSpot Solution Partner with 10+ years of experience, working with over 500 companies. This vast experience gives us the confidence to promise what no other agency can:

- Inbound & Content Strategy
- HubSpot Setup
- Lead Generation Campaigns
- Blog Writing

- Social Media
- SEO
- Email Marketing
- And more

Ready to start a free consultation?

Contrat MTR today and start achieving your 2023 goals by working smarter, not harder.

Michael Emory
Executive Director

Let's talk!